

#### B.4 WELL FIELD OIL AND GAS OPERATING MEASURES

---

1. There shall be no deviation from the proposed drilling and/or workover program as approved. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. Any changes in operations must have prior approval of the Authorized Officer. Pressure tests are required before drilling out from under all casing strings set and cemented in place. Blowout preventer (BOP) controls must be installed prior to drilling the surface casing plug and will remain in use until the well is completed or abandoned. BOPs will be inspected and operated at least daily to insure good mechanical working order, and this inspection recorded on the daily drilling report. BOPs will be pressure tested before drilling casing cement plugs. All BOP pressure tests must be recorded on the daily drilling report. The Authorized Officer's designated representative will be notified in advance of pressure tests.
2. All shows of fresh water and minerals will be reported and protected. A sample will be taken of any water flows and furnished the Authorized Officer for analysis. All oil and gas shows will be adequately tested for commercial possibilities, reported, and protected.
3. No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the Authorized Officer. If operations are to be suspended for more than 30 days, prior approval must be obtained and notification given before resumption of operations.
4. In the event abandonment of the hole is desired, an oral request may be granted but must be followed within 15 days with a "Notice of Intention to Abandon" (Form 3160-5). Unless the plugging is to take place immediately upon receipt of oral approval, the Authorized Officer must be notified at least 48 hours in advance of the plugging of the well, in order that a representative may witness plugging operation. The "Subsequent Report of Abandonment" (Form 3160-5) must be submitted within 15 days after the actual plugging of the well bore, reporting where the plugs were placed, and the current status of the surface restoration. If surface restoration has not been completed at that time, a follow-up report on Form 3160-5 should be filed when all surface restoration work has been completed and the location is considered ready for final inspection.
5. The spud date will be reported orally to the Authorized Officer within 48 hours after spudding. If the spudding occurs on a weekend or holiday, wait until the following regular workday to make this report. Periodic drilling progress reports must be filed directly with the Authorized Officer on a frequency and form or method as may be acceptable.

6. In accordance with "Notice to Lessee - Procedures for Reporting and Accounting for Royalties" (NTL-1) each well must be reported on Form 9-239 "Monthly Report of Operations and Production", starting with the month in which operations commence and continuing each month until the well is physically plugged and abandoned. This report should be filed in duplicate directly with the BLM District Office-Division of Minerals, Rock Springs, Wyoming.
7. Any change in the program must be approved by the Authorized Officer. "Sundry Notices and Reports on Wells" (Form 3160-5) must be filed for all changes of plans and other operations in accordance with 43 CFR and 3162.3-2. Emergency approval may be obtained orally, but such approval does not waive the written report requirement. Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground will require the filing of a suitable plan pursuant to Onshore Oil and Gas Order No. 1 and prior approval by the Authorized Officer.
8. Whether the wells are completed as dry holes or as producers, the "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, core analyses, well-test data, geologic summaries, sample descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160.4. Samples (cuttings, fluid, and/or gas) will be submitted only when requested by the Authorized Officer.
9. Significant surface values are involved at these locations. Accordingly, the operator must notify the Authorized Officer's representative at least 3 days prior to commencing field operations to allow him/her to be present for consultation during the construction of roads and well pads.
10. If a replacement rig is contemplated for completion operations, a "Sundry Notice" (Form 3160-5) to that effect must be filed for prior approval of the Authorized Officer, and all conditions of the APD are applicable during all operations conducted with the replacement rig.
11. Pursuant to "Notice to Lessee - Disposal of Produced Water" (NTL-2B) requirements for new wells, these APDs are authorization for unlined pit disposal of the water produced from these wells for a period of 90 days from the date of initial production for sales purposes. During this period, an application for approval of the permanent disposal method, along with the required water analysis and other information must be submitted for the Authorized Officer's approval.
12. APDs will be valid for a period of one year from the date of approval. If the permit terminates, any surface disturbance created under the APD must be rehabilitated in accordance with the approved plan.

13. All tank batteries constructed must be surrounded by a fire wall of sufficient capacity to contain the storage capacity of the batteries adequately.
14. Discharges, spills, fires, accidents, or blowouts must be reported to the Authorized Officer in accordance with "Notice to Lessee - Reporting of Undesirable Events" (NTL-3A).
15. Venting or flaring of hydrocarbons will be in accordance with "Notice to Lessee - Venting or Flaring of Gas or Oil" (NTL-4A) and must receive prior approval of the Authorized Officer.
16. The Authorized Officer should be notified sufficiently in advance of actual well plugging work so that a representative may have an opportunity to witness the well plugging operation.
17. Upon completion of approved plugging, the operator will erect the regulation marker in accordance with 43 CFR 3162.6 and clean up the location. The marker should not be less than 4 inches in diameter, 10 feet in length with approximately 4 feet above general ground level, and the top plugged or capped. All necessary pits or holes, including the cellar, must be backfilled immediately upon abandonment.
18. The following minimum information shall be permanently placed on the marker with a plate, cap, or beaded-on with a welding torch:
  - o Name of the Operator.
  - o Lease serial number.
  - o Well number.
  - o Well location by 1/4 1/4 section or footage, township, and range.
19. Final release from liability will be issued by the Authorized Officer when all the provisions of the APD, including incorporation of the Erosion Control, Revegetation, and Restoration Guidelines (Appendix B-E), and Surface Owner's Rehabilitation Plan are complete.
20. Holder shall give immediate notice of any spill or leakage, in violation of 43 CFR 110.5, of oil or other pollutant from the pipeline to: 1) the Authorized Officer; and 2) such other federal and state officials as are required by law to be given such notice. Any oral notice shall be confirmed in writing within 72 hours of any occurrence.